

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN JOSE DIVISION
4

5 IN RE: HIGH-TECH EMPLOYEE)
6 ANTITRUST LITIGATION)
7) No. 11-CV-2509-LHK
8 THIS DOCUMENT RELATES TO:)
9 ALL ACTIONS.)
10 _____)

11
12 HIGHLY CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY
13

14 VIDEO DEPOSITION OF ALAN EUSTACE
15

16 FEBRUARY 27, 2013
17

18 Reported by: Mary Ann Scanlan-Stone, CSR No. 8875,
19 RPR, CCRR, CLR
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10:28:48 1 so...

10:28:49 2 Q. Right.

10:28:49 3 Now, when you became a senior VP of
10:28:52 4 engineering, how did your duties change?

10:28:55 5 A. Not at all. That was a straight title change.

10:29:02 6 Q. Once you were senior VP, all of the VPs
10:29:05 7 reported in to you?

10:29:06 8 A. No, no. Even when I was a VP, the VPs
10:29:10 9 reported in to me.

10:29:11 10 Actually mostly I -- when I first -- I was the
10:29:13 11 first -- besides Wayne Rosing, I was the first VP of
10:29:16 12 engineering at Google.

10:29:17 13 So after that, after he left, I was still a VP
10:29:21 14 of engineering. At that point, I had mostly directors
10:29:24 15 of engineering reporting in to me but later on, I had
10:29:27 16 VPs of engineering reporting in to me even though I was
10:29:30 17 still a VP of engineering. We weren't hung up on, you
10:29:33 18 know, the VPs can't report in to other VPs.

10:29:36 19 Q. Did the headcount change by the time you were
10:29:38 20 a senior VP of engineering?

10:29:40 21 A. The headcount went up. Every year, headcount,
10:29:44 22 you know, went up dramatically. Essentially for many
10:29:48 23 years, it doubled every year.

10:29:50 24 Q. So if you could ballpark what your groups
10:29:55 25 looked like by the time you were senior VP?

10:29:59 1 A. I think the peak reporting that I ever had was
10:30:02 2 about 16,000 people.

10:30:03 3 Q. That is a lot.

10:30:06 4 A. That is a lot.

10:30:08 5 Q. Is that when you were senior VP of
10:30:09 6 engineering?

10:30:10 7 A. Yes. That wasn't at the beginning when I was
10:30:11 8 a senior VP but right before the reorganization, I think
10:30:15 9 it was probably about 16,000, roughly half the company.

10:30:21 10 Q. So that was in the 2008 era?

10:30:24 11 A. Yeah -- well, no. That was right before the
10:30:26 12 reorganization, which happened in 2011 so...

10:30:29 13 Q. Okay.

10:30:29 14 A. Yeah.

10:30:29 15 Q. And that was when you were changed to senior
10:30:32 16 VP of knowledge?

10:30:33 17 A. Yes.

10:30:34 18 Q. Right before that?

10:30:35 19 A. Right before that.

10:30:36 20 Q. Okay, got it.

10:30:37 21 A. It is a complicated picture.

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10:33:21 20 Q. And now that you are senior VP of knowledge,
10:33:23 21 have your duties changed yet again?

10:33:27 22 A. Oh, yeah. That was a dramatic change. That
10:33:30 23 was -- before, we were organized functionally where
10:33:32 24 engineering basically was in one large organization and
10:33:36 25 now we're organized by product areas and so each product

10:33:41 1 area has a different leader and has both product and
10:33:46 2 engineering underneath it.

10:33:48 3 It doesn't have horizontal functions like
10:33:52 4 sales and things like that. It's not like GM style
10:33:55 5 role, but, yes, it changed, it changed dramatically.

10:33:59 6 Most of the company that I used to manage, I
10:34:01 7 no longer manage and Search and what Search is becoming
10:34:05 8 was underneath me.

10:34:06 9 Q. Okay.

10:34:07 10 A. I also as an anomaly had responsibility for
10:34:11 11 international offices, although many of the
10:34:15 12 international offices, now the heads reported directly
10:34:18 13 in to product areas, but nominally, I still have
10:34:21 14 responsibility for making sure that the health of our
10:34:23 15 international offices continued.

10:34:28 16 Q. When you were first hired as VP of
10:34:30 17 engineering, to whom did you report?

10:34:33 18 A. Wayne Rosing.

10:34:34 19 Q. And who was Mr. Rosing's supervisor?

10:34:38 20 A. Excuse me. When I was hired as director of
10:34:40 21 engineering, is that what you said?

10:34:41 22 Q. Yes.

10:34:43 23 MR. RUBIN: I think it is Rosing, R-O-S-I-N-G.

10:34:47 24 MS. DERMODY: Rosing. Thank you.

10:34:48 25 MR. RUBIN: Sure.

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10:45:21 9 Q. And in that same time period, that is when you
10:45:24 10 were VP or senior VP of engineering, was there a
10:45:28 11 compensation committee of the company?

10:45:32 12 MR. RUBIN: Of the board you mean?

10:45:33 13 MS. DERMODY: Of the company.

10:45:35 14 MR. RUBIN: Oh, the company.

10:45:37 15 THE WITNESS: There was a compensation
10:45:38 16 committee on the board. I don't recall a compensation
10:45:41 17 committee other than the board.

10:45:43 18 BY MS. DERMODY:

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10:46:08 25 Q. In that same time period when you were VP or

10:46:11 1 senior VP of engineering, who was the leader or leaders
10:46:14 2 of that group?
10:46:18 3 A. The leader right now is Frank, I don't
10:46:20 4 remember his last name, and there was somebody before
10:46:21 5 that that handled compensation and I'm sorry, I just
10:46:26 6 don't recall the name.

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10:48:44 4 In terms of the compensation committee of the
10:48:48 5 board, did you ever participate in those meetings?

10:48:52 6 A. Not a single time.

10:48:54 7 Q. Okay.

10:48:54 8 A. As a matter of fact, I try to avoid board
10:48:57 9 meetings completely. I was very successful for many
10:49:00 10 years.

10:49:02 11 Q. Have you ever participated in any board
10:49:05 12 meeting where the issue of recruiting or the issue of
10:49:08 13 compensation was discussed?

10:49:17 14 A. Any board meeting where -- I don't believe so.

10:49:22 15 Q. Okay.

10:49:24 16 A. I mean, we would have a conversation about
10:49:28 17 some area that we were going to get into, say, you know,
10:49:33 18 we really feel like we need more machine learning people
10:49:36 19 or, you know, this particular technology is really, you
10:49:38 20 know, dedicated to that.

10:49:39 21 And so in the course of that, I might say, you
10:49:41 22 know, this is an area that we're going to focus on, this
10:49:44 23 is an area we're going to recruit in but no recruiting
10:49:48 24 strategy, just letting them know areas of the company
10:49:51 25 that I felt we needed to invest in.

13:57:22 1 do not call Intel. It was part of my practice, not
13:57:25 2 because of something that the company had told me or
13:57:28 3 that Eric had told me but that the company didn't have
13:57:32 4 the right expertise.

13:57:37 5 They were building chips and we were building
13:57:40 6 systems and those two expertise actually have very
13:57:43 7 little intersection. So this is kind of meaningless to
13:57:46 8 me from an engineering point of view.

13:57:48 9 I would never have asked about what the policy
13:57:51 10 is toward Intel because I would not have actively, you
13:57:55 11 know, tried to recruit executives from Intel.

13:57:59 12 MS. DERMODY: Okay.

13:58:00 13 Q. And in looking at this document, where there
13:58:03 14 is a reference to Google's commitment to terminate a
13:58:10 15 recruiter that calls into Intel, does that refresh your
13:58:13 16 recollection about any conversations you might have had
13:58:15 17 about the commitment that Google had to not let that
13:58:19 18 happen?

13:58:20 19 MR. RUBIN: Objection. Lacks foundation.

13:58:23 20 THE WITNESS: I never knew about this policy.

13:59:31 21 BY MS. DERMODY:

13:59:32 22 Q. Do you know if Google's commitment not to cold
13:59:37 23 call other companies was shared with the companies that
13:59:42 24 were the subject of that decision?

13:59:45 25 MR. RUBIN: Objection. Lacks foundation.

13:59:49 1 THE WITNESS: I do not know.

13:59:56 2 MS. DERMODY: Okay.

13:59:56 3 Q. Do you know if Google's board of directors was
13:59:58 4 ever advised that Google had made a decision not to cold
14:00:02 5 call the employees of certain companies?

14:00:11 6 A. I do not know.

14:00:23 7 Q. Do you have an awareness of how compensation
14:00:25 8 was set at Google in the time period where you were a VP
14:00:30 9 and a senior VP in the company?

14:00:33 10 MR. RUBIN: Objection. Vague.

14:00:36 11 THE WITNESS: I have -- you know, as the VP of
14:00:39 12 engineering, I know broadly how we -- how compensation
14:00:45 13 was set but I don't know the details.

14:00:47 14 MS. DERMODY: Okay.

14:00:48 15 Q. Let's start with engineering. How was it set
14:00:51 16 there?

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14:07:33 1 Q. Okay.

14:07:50 2 You said that Google has participated in
14:07:52 3 salary surveys, correct?

14:07:54 4 A. I assume. I don't know whether we just found
14:07:57 5 out information from other companies and didn't
14:07:59 6 participate ourselves or whether they participated.

14:08:03 7 Q. Okay. So you are not sure?

14:08:04 8 A. No, I do not know.

14:08:06 9 Q. Okay.

14:08:11 10 A. I've had discussions about which companies are
14:08:13 11 in the salary survey and whether they're reflective of
14:08:16 12 the engineers that we have so I know there are some
14:08:19 13 surveys, but I didn't -- I have never seen a survey.

14:08:24 14 Q. And I think you mentioned that Google makes
14:08:27 15 some attempt to ascertain salary structures or salary
14:08:31 16 levels at other competitors; is that right?

14:08:35 17 MR. RUBIN: Objection. Mischaracterizes prior
14:08:36 18 testimony.

14:08:38 19 THE WITNESS: For you to do a salary
14:08:40 20 comparison, you have to match up titles, like a staff
14:08:43 21 engineer at Google is equivalent to what title at, I
14:08:48 22 don't know, Intel.

14:08:49 23 So for you to do that, you have to do that
14:08:53 24 matching, so they were involved in trying to understand
14:08:55 25 what the matching is.

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15:45:35 1 THE WITNESS: Yes.

15:45:36 2 BY MS. DERMODY:

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15:49:15 12 MS. DERMODY: Can I have 626?

15:49:35 13 MR. HARVEY: (Complies.)

15:49:35 14 BY MS. DERMODY:

15:49:36 15 Q. So I've passed you the document --

15:49:38 16 A. What perfect timing.

15:49:41 17 Q. Sometimes you get it right.

15:49:44 18 -- marked as Plaintiff's Exhibit 626

15:49:48 19 previously and this document appears to be an email from

15:49:51 20 you from October 14th, 2010 to Shona Brown.

15:49:57 21 Do you recognize this document?

15:50:00 22 A. Yes.

15:50:08 23 Can I go ahead and read it?

15:50:10 24 Q. Sure, yes.

15:51:11 25 A. (Reviews document.)

15:52:04 1 Okay. I have completed it. Thank you.

15:52:08 2 Q. Sure.

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15:39:20 1 I, Mary Ann Scanlan-Stone, Certified Shorthand
15:39:20 2 Reporter licensed in the State of California, License
15:39:20 3 No. 8875, hereby certify that the deponent was by me
15:39:20 4 first duly sworn and the foregoing testimony was
15:39:20 5 reported by me and was thereafter transcribed with
15:39:20 6 computer-aided transcription; that the foregoing is a
15:39:20 7 full, complete, and true record of said proceedings.

15:39:20 8 I further certify that I am not of counsel or
15:39:20 9 attorney for either of any of the parties in the
15:39:20 10 foregoing proceeding and caption named or in any way
15:39:20 11 interested in the outcome of the cause in said caption.

15:39:20 12 The dismantling, unsealing, or unbinding of
15:39:20 13 the original transcript will render the reporter's
15:39:20 14 certificates null and void.

15:39:20 15 In witness whereof, I have hereunto set my
15:39:20 16 hand this day: March 3, 2013.

15:39:20 17 _____ Reading and Signing was requested.

15:39:20 18 _____ Reading and Signing was waived.

15:39:20 19 ____X____ Reading and signing was not requested.

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MARY ANN SCANLAN-STONE

CSR 8875, RPR, CCRR, CLR

**CORRECTIONS TO DEPOSITION TRANSCRIPT OF
ALAN EUSTACE, DATED FEBRUARY 27, 2013**

In re High-Tech Employee Antitrust Litigation

Case No. 11-CV-2509-LHK (N.D. Cal.)

Page:Line	Amendment	Reason for Amendment
12:7	Replace: "I can recall" With: "I can't recall"	correction to transcript error
18:7	Replace: "and steady state" With: "and at its steady state"	correction to transcript error
18:9	Replace: "responsibilities to me" With: "responsibilities for me"	correction to transcript error
18:21	Replace: "VP -- VP of engineering but I was a VP in engineering and reported to the VP of engineering" With: "VP -- I was a VP in engineering and reported to the VP of engineering"	clarification
20:10	Replace: "needed done" With: "needed to be done"	correction to transcript error
22:6	Replace: "tell me what I thought" With: "tell him what I thought"	correction to transcript error
22:7	Replace: "merits of what other people were" With: "merits of what other people were doing"	correction to transcript error
27:12	Replace: "reported" With: "report"	correction to transcript error
27:15	Replace: "continued" With: "continues"	correction to transcript error

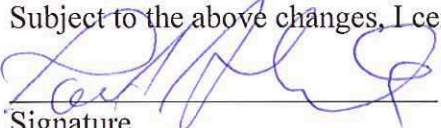
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Error! Document Variable not defined.

Page:Line	Amendment	Reason for Amendment
29:2	Replace: "it's is" With: "it is"	correction to transcript error
32:8	Replace: "with" With: "within"	correction to transcript error
37:25-38:1	Replace: "drift across different companies" With: "drift across different groups"	correction to transcript error
38:1	Replace: "companies" With: "groups"	correction to transcript error
40:22	Replace: "there have been" With: "there may have been"	correction to transcript error
64:3	Replace: "There's's" With: "There's"	correction to transcript error
66:15	Replace: "backup" With: "backend"	correction to transcript error
95:5	Replace: "Those companies" With: "Those people"	correction to transcript error
133:16	Replace: "what the correct bands would go" With: "what the correct bands would be"	correction to transcript error
139:5	Replace: "two" With: "II"	correction to transcript error
139:9	Replace: "two" With: "II"	correction to transcript error
139:14	Replace: "two"	correction to transcript error

Page:Line	Amendment	Reason for Amendment
	With: "II"	
142:6	Replace: "I'm not even near." With: "It's not very clear."	correction to transcript error
154:12	Delete: "but I think I really remember the stock grants"	correction to transcript error
167:5	Replace: "versions" With: "inversions"	correction to transcript error
178:2	Delete: "Brand"	correction to transcript error
180:3	Replace: "cache" With: "cachet"	correction to transcript error
192:7	Replace: "I changed" With: "a change"	correction to transcript error
194:9	Replace: "Crous" With: "Cos"	correction to transcript error

Subject to the above changes, I certify that the transcript is true and correct.


Signature

Date